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To: R. H. Fricke  
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RE: Wakefern Food Corporation  
1997 Business Status

Wakefern Food Corporation ended 1996 with a 1.4% volume increase in the Cigarette Category. RJR Volume was + 2.2% for the year.

In early 1997 many Members overreacting to the FDA Letter removed package merchandisers from self-service. Since our Brands are very promotion sensitive, our business has suffered. Listed below is our volume status as of last week:

Total volume vs. 1996 YTD	- 18.1%
Total Savings Volume YTD	- 23.6%

Although Wakefern's volume has steadily improved from the end of the 1st Quarter we still are significantly down from a year ago at this time.

In your individually owned groups and stores every effort should be made to address the following areas:

- ☐ If the store has gone non self-service with single packs, are those packs well displayed, and is price being communicated properly? The same holds true for cartons.

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- ☐ In those stores that have placed packs on non self-service, ensure that a counter display is placed in addition to price communication signage.
- ☐ Wakefern, effective 2nd Quarter, is under a CAO (Computer Assisted Ordering) System. That is, the computer automatically orders back what is sold. However,, this system can be overridden if low stock conditions exist. Ensure that our Retail Representatives leave suggested orders for growth Brands like WINSTON Box, Light Box, and Ultra Box.

For the balance of 1997 we have planned an aggressive strategy which includes a Price Plus Program for November and December for WINSTON, SALEM, and DORAL at a \$ 2.50 discount. We have also recommended that Wakefern Stores be included in special pack promotions for early 1998.

In the meantime, please continue to maintain, and improve our position where possible in all Shop Rite Stores.

Additionally, as previously communicated, if any Shop Rite Stores are interested in the "Store Within a Store" concept, please let me know.

As always, thanks for your help.

Best Regards,

*Nick Kuruc*